

General Fund Subfunds

General Subfund Balance Forecast

The City's financial policies do not require a fund balance to be maintained in the General Subfund. Instead, the City funds the Emergency Subfund to the legal maximum each year and maintains a variety of dedicated reserves funds. Thus, General Subfund balances usually are carried over and spent in the following year.

General Subfund Balance:

Unreserved Fund Balance (CAFR) - January 1, 2003	\$	1,736,469
less Fair Market Value of Investment adjustment		(727,611)
Unreserved Fund Balance (CAFR) - January 1, 2003 (adjusted)	\$	1,008,858
plus 2003 Revised Budget Revenue Forecast		643,331,586
less 2003 Adopted Budget Appropriations		(638,723,000)
less Technical Adjustment - Move Firemen's Pension to General Fund (1)		(15,300,802)
less 2003 Legislated Appropriation Changes (2)		(1,195,614)
plus Mayor's Directive for Mid-year Expenditure Reductions (April)		3,770,306
plus CRF - Revenue Stabilization Account		2,400,000
less June Omnibus Supplemental Appropriations (3)		(39,680)
less End-of-year Supplemental Appropriations (4)		(1,478,362)
less Other Adjustments (5)		7,409,500
Estimated Available Fund Balance - December 31, 2003	\$	1,182,792

Notes:

- (1) An offsetting adjustment is made to the General Property Tax revenue forecast.
- (2) Seattle Times street vacation (Ord. 121088)
- (3) Total reflects net appropriation change to General Subfund from the June Omnibus supplemental (Ord. 121205).
- (4) Total reflects likely net appropriation change to General Subfund from end-of-year supplemental.
- (5) Total reflects likely net appropriation change to General Subfund from likely 2003 savings.

Estimated Unreserved Fund Balance - January 1, 2004	\$	1,182,792
2004 Estimated Revenue		658,741,678
2004 Proposed Appropriations		(659,923,093)
Projected Fund Balance - December 31, 2004	\$	1,377

General Fund Subfunds

Cable Television Franchise Subfund

The City of Seattle entered into cable franchise agreements in 1996 with TCI and Summit Communications, Incorporated. These agreements establish a new franchise fee as compensation for the right to locate in the public right-of-way. The Cable Television Franchise Subfund (created by Ordinance 118196) shows the anticipated revenues from the franchise fee and related expenditures in the Department of Information Technology and in the Library. The subfund reserve will be retained as a hedge against future revenue shortfalls.

Summit Code	Source	2002 Actual	2003 Adopted	2004 Endorsed	2004 Proposed
	Beginning Fund Balance	\$ 3,227,988	\$ 2,276,280	\$ 1,525,904	\$ 1,525,904
Revenues					
421911	Cable Franchise Fees	\$ 2,361,205	\$ 2,423,377	\$ 2,568,780	\$ 2,568,780
	Total Revenues	\$ 2,361,205	\$ 2,423,377	\$ 2,568,780	\$ 2,568,780
Expenditures					
	Community Technology				
887900	Oper Tr Out-To Other Funds (to 50440)	\$ 457,475	\$ 504,682	\$ 525,900	\$ 473,332
	Cable Communications				
887900	Oper Tr Out-To Other Funds (to 50440)	1,077,829	1,103,950	1,133,389	1,124,128
	TVSeattle/Democracy Portal				
887900	Oper Tr Out-To Other Funds (to 50440)	1,339,772	1,515,120	1,605,625	1,542,627
	Web Content Management and Server Support				
887900	Oper Tr Out-To Other Funds (to 50440)	-	-	-	79,464
	Citizen Literacy/Access				
887104	Oper Tr Out-To Library Fund (to 10410)	50,000	50,000	50,000	50,000
	General Subfund				
887001	Oper Tr Out To General Fund (to 00100)	387,837	-	-	-
	Total Expenditures	\$ 3,312,913	\$ 3,173,752	\$ 3,314,914	\$ 3,269,551
	Ending Fund Balance	\$ 2,276,280	\$ 1,525,905	\$ 779,770	\$ 825,133

*An advance payment of \$2,800,000 was made in 2001 by AT&T to the City to support Public Access TV in lieu of smaller multi-year payments and will be held as Subfund balance until slowly drawn upon over the next four years.

General Fund Subfunds

Cumulative Reserve Subfund

This subfund is a reserve fund authorized under State law and is used primarily for maintenance and development of City capital facilities. The subfund is divided into two accounts, the Capital Projects Account and the Revenue Stabilization Account.

The **Capital Projects Account** provides funds for a wide array of capital projects. For the last few years, the vast majority of the expenditures from the Capital Projects Account have been devoted to maintaining and rehabilitating existing City facilities.

The account is divided into four subaccounts that reflect different revenue sources:

- ◆ The Real Estate Excise Tax I (REET I) Subaccount is funded by a 0.25% tax on real estate transactions. A portion of these proceeds is used to pay debt service on bonds issued in 1992 and refinanced in 1998 for low-income housing and recreation facilities. REET I revenues are also used to defease 1994 bonds and to pay debt service on \$6,751,000 in councilmanic bonds that were issued in 2003 to pay for Seattle Center roof replacements. The remaining REET I funds are used for other capital projects.
- ◆ The Real Estate Excise Tax II (REET II) Subaccount is funded from an additional 0.25% tax on real estate transactions and is kept separate due to different state requirements regarding the use of these funds. REET II revenues are used for a variety of capital projects as authorized by State law.
- ◆ The South Lake Union Property Proceeds Subaccount receives funding from sales of certain surplus City property located adjacent to South Lake Union, investment earnings attributable to the subaccount, and other associated revenues. \$13,759,000 was transferred out of this subaccount in 2002 into the defeasance account established as part of a refinancing plan of outstanding councilmanic debt issued in 1994. The City will issue councilmanic debt in the future to pay for projects that would have been funded otherwise from the subaccount. These funds are used for a variety of capital projects, including land acquisition and planning projects.
- ◆ The Unrestricted Subaccount receives funding from a variety of sources, including street vacation revenues, transfers of General Fund balances, investment earnings (net of investment earnings attributable to the South Lake Union Property Proceeds Subaccount), and other unrestricted contributions to the Cumulative Reserve Subfund.
- ◆ The **Revenue Stabilization Account**, created in the 2000 Adopted Budget through Ordinance 119761, provides a cushion from the impact of sudden, unanticipated shortfalls in revenue due to economic downturns that could undermine City government's ability to maintain services. The account is limited by ordinance to 2.5% of the prior tax year revenues. The entire account fund balance was used to balance the 2002 budget through the adopted 2002 budget and subsequent supplemental legislation.

General Fund Subfunds

2004 Proposed Cumulative Reserve Subfund: Sources/Uses of Funds

	REET I Subaccount	REET II Subaccount	Unrestricted Subaccount	Street Vacation	South Lake Union	Revenue Stabilization	Total
2002 Beginning Unreserved Fund Balance	\$ 13,035,864	\$ 11,660,204	\$ 20,073,825	\$ 0	\$ 19,994,692	\$ 3,766,122	\$68,530,707
Carryover	(2,933,354)	(8,658,378)	(11,150,356)	0	(5,599,766)	0	(28,341,854)
2002 Sources							
Real Estate Excise Tax	11,448,267	11,448,267	0	0	0	0	22,896,534
Street Vacation	0	0	308,500	308,500	1,167,674	0	1,784,674
Other	229,581	62,933	5,334,674	0	446,400	0	6,073,588
Total Sources	\$ 21,780,358	\$ 14,513,026	\$ 14,566,643	\$ 308,500	\$ 16,009,000	\$ 3,766,122	\$70,943,650
2002 Uses							
2002 Adopted Budget Appropriations	\$ 13,634,000	\$ 9,476,000	\$ 7,885,000	\$ 0	\$ 0	\$ 0	\$ 30,995,000
Recorded Revisions	(8,056,001)	(92,872)	(1,549,143)	0	2,250,000	2,889,122	(4,558,894)
Transfer to Defeasance Account	7,016,000	0	4,977,000	0	13,759,000	0	25,752,000
Transfer to General Fund	0	0	125,000	0	0	877,000	1,002,000
Property Acquisition Reserve	0	0	400,000	0	0	0	400,000
Year-End Unreserved Fund Balance	9,186,359	5,129,898	2,728,786	308,500	0	0	17,353,544
Total Uses	\$ 21,780,358	\$ 14,513,026	\$ 14,566,643	\$ 308,500	\$ 16,009,000	\$ 3,766,122	\$70,943,650
2003 Sources							
2003 Beginning Unreserved Fund Balance	\$ 9,186,359	\$ 5,129,898	\$ 2,728,786	\$ 308,500	\$ 0	\$ 0	\$ 17,353,544
Real Estate Excise Tax	12,600,000	12,600,000	0	0	0	0	25,200,000
Street Vacation	0	0	575,000	575,000	0	0	1,150,000
Other	75,914	229,500	19,047,465	0	0	0	19,352,879
Total Sources	\$ 21,862,273	\$ 17,959,398	\$ 22,351,251	\$ 883,500	\$ 0	\$ 0	\$63,056,423
2003 Uses							
2003 Revised Appropriations	13,266,000	13,428,000	14,225,957	625,000	0	0	41,544,957
Transfer to General Fund	0	0	5,787,000	0	0	0	5,787,000
Reserve for Earthquake Local Match	1,000,000	0	0	0	0	0	1,000,000
Year-End Unreserved Fund Balance	7,596,273	4,531,398	2,338,294	258,500	0	0	14,724,466
Total Uses	\$ 21,862,273	\$ 17,959,398	\$ 22,351,251	\$ 883,500	\$ 0	\$ 0	\$63,056,423
2004 Sources							
2004 Beginning Unreserved Fund Balance	\$ 7,596,273	\$ 4,531,398	\$ 2,338,294	\$ 258,500	\$ 0	\$ 0	\$ 14,724,466
Real Estate Excise Tax	9,800,000	9,800,000	0	0	0	0	19,600,000
Street Vacation	0	0	206,250	206,250	0	0	412,500
Other	0	0	1,225,000	0	0	0	1,225,000
Total Sources	\$ 17,396,273	\$ 14,331,398	\$ 3,769,544	\$ 464,750	\$ 0	\$ 0	\$ 35,961,966
2004 Uses							
2004 Proposed Appropriations	\$ 13,575,000	\$ 11,446,000	\$ 3,521,000	\$ 450,000	\$ 0	\$ 0	\$ 28,992,000
Reserve for Earthquake Local Match	1,000,000	0	0	0	0	0	1,000,000
Transfer to Neighborhood Matching Subfund	0	900,000	0	0	0	0	900,000
Year-End Unreserved Fund Balance	2,821,273	1,985,398	248,544	14,750	0	0	5,069,966
Total Uses	\$ 17,396,273	\$ 14,331,398	\$ 3,769,544	\$ 464,750	\$ 0	\$ 0	\$ 35,961,966

General Fund Subfunds

2004 Proposed Cumulative Reserve Subfund

Appropriations shown below from the Cumulative Reserve Subfund (CRF) are for special purposes such as debt service payments and the City's Tenant Relocation Assistance Program. Department CRF summaries are shown for informational purposes only. Actual appropriations for capital projects funded by the CRF are made in the appropriate department's section, with the exception of the Special Projects shown below. Department capital projects are fully described in the 2004-2009 Proposed Capital Improvement Program.

	Summit Number	CRF Subaccount	2003 Revised	2004 Endorsed	2004 Proposed
Appropriations - Special Projects					
1998B Capital Facilities Refunding	CC3002	REET I	\$ 3,013,000	\$ 3,004,000	\$ 3,004,000
Tenant Relocation Assistance Program	TRANEW	Unrestricted	179,000	179,000	179,000
Office of Housing - Tower Records	OHNEW	Unrestricted	519,000	-	-
Transfer to Defeasance Account	TBD	REET I	5,500,000	-	4,579,000
Transfer to Neighborhood Matching Subfund (00165)	TBD	REET II	-	-	900,000
Special Projects Total			\$ 9,211,000	\$ 3,183,000	\$ 8,662,000
Allocations - Department Summaries (1)					
Department of Parks and Recreation			\$14,154,465	\$ 9,968,000	\$10,726,000
Fleets and Facilities Department			13,400,492	1,136,000	2,490,000
Office of Arts and Cultural Affairs			120,000	120,000	120,000
Seattle Center			1,164,000	1,788,000	1,818,000
Seattle Public Library			156,000	371,000	371,000
Seattle Transportation (2)			3,339,000	1,400,000	5,705,000
Department Summaries Total			\$32,333,957	\$14,783,000	\$21,230,000
Grand Total			\$41,544,957	\$17,966,000	\$29,892,000

(1) Excludes REET II transferred to the Neighborhood Matching Subfund to fund Targeted Infrastructure Investments.

(2) Includes Street Vacation Compensation Subfund allocations.

General Fund Subfunds

Emergency Subfund

Under the authority of state law, RCW 35.32A.060, the City maintains a financial reserve called the Emergency Subfund of the General Fund. This subfund is the principal reserve for the City and is available to pay for unanticipated or unplanned expenditures that occur during the fiscal year.

City policy (Resolution 30379) directs that sufficient resources shall be appropriated to the Emergency Subfund so that its balance equals the maximum permitted by state law (37.5 cents per thousand dollars of assessed value in Seattle). The most recent estimates of assessed value (developed in August 2003) indicate that the maximum balance for the Emergency Subfund was \$29.9 million in 2003 and will be \$31.2 million in 2004. These estimates reflect current laws governing the appraisal of real property values for property tax purposes.

Projection of Emergency Subfund Balance for 2003 and 2004:

Summit Code	Source	2003 Projected	2004 Endorsed	2004 Proposed
Beginning Fund Balance		\$ 27,896,000	\$ 29,794,000	\$ 29,882,250
Revenues				
	General Subfund Contribution	\$ 1,730,000	\$ 1,341,000	\$ 1,343,750
	Other Revenues	756,250	-	-
	Total Revenues	\$ 2,486,250	\$ 1,341,000	\$ 1,343,750
Expenditures				
	Emergency Expenditures	\$ 500,000	\$ -	\$ -
	Total Expenditures	\$ 500,000	\$ -	\$ -
Ending Fund Balance		\$ 29,882,250	\$ 31,135,000	\$ 31,226,000

General Fund Subfunds

Group Term Life Insurance Subfund

The Group Term Life Subfund contains the revenues and expenditures related to the City's group term life insurance, long-term disability insurance, and accidental death and dismemberment insurance.

Summit Code	Source	2002 Actual	2003 Adopted	2003 Projected	2004 Endorsed	2004 Proposed
Beginning Fund Balance		\$ 2,641,323	\$ 905,941	\$ 1,084,567	\$ 316,946	\$ 257,704
Revenue						
461110	Interest	\$ 79,160	\$ 20,000	\$ 20,105	\$ 10,000	\$ 21,000
	Ins. Premiums and					
463000	Recoveries	\$ 356,497	\$ -	\$ -	\$ -	\$ -
469640	Employee Contributions	\$ 11,124	\$ -	\$ 12,000	\$ -	\$ 12,000
569540	Department Contributions					
	and Other Revenues (1)	846,915	613,445	294,683	922,718	846,868
Total Revenue		\$ 1,293,697	\$ 633,445	\$ 326,788	\$ 932,718	\$ 879,868
Expenditure						
	Premium Payout					
720500	Expenditures	\$ 847,423	\$ 1,142,440	\$ 1,153,650	\$ 1,199,664	\$ 946,000
841111	Administration (2)	993,423	-	-	-	-
Total Expenditures		\$ 1,840,846	\$ 1,142,440	\$ 1,153,650	\$ 1,199,664	\$ 946,000
379100	Use of Subfund Balance (3)	\$ 1,009,607	\$ 80,000	\$ 45,000	\$ -	\$ -
Ending Fund Balance		\$ 1,084,567	\$ 316,946	\$ 257,704	\$ 50,000	\$ 191,572

Notes:

- (1) A premium holiday occurred for the employer portion of the group term life expenditures in 2003.
- (2) A portion of the subfund balance was used to support administrative costs of the Health Care Subfund in 2002.
- (3) A portion of the subfund balance that was being held in reserve pending completion of negotiations with labor unions was paid out in 2002; further negotiations are pending in 2003.

General Fund Subfunds

Health Care Subfund

The Health Care Subfund contains the revenues and expenditures associated with the City's medical, dental, vision insurance programs, Flexible Spending Account, Employee Assistance Program, and COBRA. Insurance expenses for health, dental, and vision increased significantly in 2003 and 2004, reflecting a nationwide increase in health care costs.

Summit Code	Source	2002 Actual	2003 Adopted	2003 Projected	2004 Endorsed	2004 Proposed
Beginning Fund Balance		\$ 4,681,445	\$ (7,621,090)	\$ (1,326,389)	\$ (5,275,177)	\$ 311,216
Revenue						
459930	NSF Check Fees	60	-	20	-	-
461110	Interest	152,633	-	85,045	-	-
463000	Ins. Premiums and Recoveries	1,941,413	225,392	700,000	225,392	225,392
569580	Health/Dental/Vision Premiums and Employee Contributions	66,103,269	86,508,948	85,057,764	108,260,342	99,740,457
569990	DCAP, FICA, EAP Premium	416,604	355,829	522,612	380,770	532,000
	Six-fund contribution for non-reps		301,089	301,089	454,545	391,998
Total Revenue		\$ 68,613,979	\$ 87,391,258	\$ 86,666,530	\$ 109,321,049	\$ 100,889,847
379100	Fund Balance Transfer from Group Term Life Use of Rate Stabilization Fund	933,903	-	-	-	-
		4,681,445	662,396	662,396	1,000,000	862,396
Total Resources		\$ 74,229,327	\$ 88,053,654	\$ 87,328,926	\$ 110,321,049	\$ 101,752,243
Expenditure						
720400	Health/Dental/Vision/Employee Service Expenses	\$ 74,215,334	\$ 84,628,934	\$ 84,612,515	\$ 97,577,161	\$ 95,019,854
741190	EAP& TLC Expenses	375,246	355,829	355,829	380,770	380,770
884590	Other (DCAP, FSA, Secure Horizon, TLC)	-	60,582	60,582	60,582	60,582
841111	Administration	965,146	-	-	-	90,000
Total Expenditures		\$ 75,555,726	\$ 85,045,345	\$ 85,028,926	\$ 98,018,513	\$ 95,551,206
Rate Stabilization Fund						
	Use of Rate Stabilization Fund	4,681,445	662,396	662,396	1,000,000	862,396
Total Uses		\$ 80,237,171	\$ 85,707,741	\$ 85,691,322	\$ 99,018,513	\$ 96,413,602
Ending Fund Balance		\$ (1,326,389)	\$ (5,275,177)	\$ 311,216	\$ 6,027,359	\$ 5,649,856

General Fund Subfunds

Industrial Insurance Subfund

The Industrial Insurance Subfund captures the revenues and expenditures associated with the Worker's Compensation and Safety Programs for City employees. Since 1972, the City of Seattle has been a self-insured employer as authorized under State law. The Industrial Insurance Subfund receives payments from City departments to pay medical claims, preventive care, workplace safety programs, and directly related administrative expenses. The State Department of Labor and Industries requires that the Subfund maintain a minimum cash reserve level of at least 25% over the estimated total medical claims and time loss expense for the budgeted period in the Industrial Insurance Subfund.

Summit Code	Source	2002 Actual	2003 Adopted	2003 Projected	2004 Endorsed	2004 Proposed
Beginning Fund Balance		\$ 3,479,582	\$ 2,653,841	\$ 3,433,019	\$ 2,880,909	\$ 3,479,961
Revenue						
569550	Department Contributions	\$ 12,310,533	\$ 12,473,249	\$ 12,459,377	\$ 12,839,926	\$ 12,539,926
469990	Other Miscellaneous Revenue	406,423	150,000	67,547	150,000	100,000
485200	Insurance Refunds/Recoveries	175,694	150,000	500	150,000	75,000
Total Revenue		\$ 12,892,650	\$ 12,773,249	\$ 12,527,423	\$ 13,139,926	\$ 12,714,926
Expenditure						
720500	Summary - Other Insurance Benefits	\$ 2,326,783	\$ 2,549,953	\$ 2,900,000	\$ 2,932,445	\$ 2,952,445
720880	Medical Claims (1)	7,859,805	7,793,249	7,948,093	7,959,926	7,989,926
741190	Services - Other Professional	326,975	450,000	482,923	450,000	500,000
744710	Insurance - General	497	200,000	5,000	200,000	200,000
841111	IF Services - Administrative	1,925,154	1,552,979	1,144,465	1,583,482	1,160,880
Total Expenditures		\$ 12,439,214	\$ 12,546,181	\$ 12,480,481	\$ 13,125,853	\$ 12,803,251
379100	Use of Subfund Balance	\$ 500,000	-	-	-	-
Total Uses		\$ 12,939,214	\$ 12,546,181	\$ 12,480,481	\$ 13,125,853	\$ 12,803,251
Ending Fund Balance		\$ 3,433,019	\$ 2,880,909	\$ 3,479,961	\$ 2,894,982	\$ 3,391,636
Reserve Requirement (2)		\$ 2,584,147	\$ 2,771,926	\$ 2,712,023	\$ 2,839,844	\$ 2,735,593

Notes:

- (1) Medical care claim costs are paid from the Industrial Insurance Subfund; City departments reimburse the fund for claim costs.
- (2) Per State Labor & Industries, the Fund reserve requirement must be equal to 25% of the total cost of claim and time loss expense estimates. The reserve must be cash, in a dedicated and designated fund. The State required reserve amount is included in the Industrial Insurance Subfund Balance.

General Fund Subfunds

Judgment/Claims Subfund

The Judgment/Claims Subfund provides for the payment of legal claims and suits brought against the City. The subfund receives appropriations from the General Subfund and the utilities to pay the judgments, settlements, claims, and other eligible expenses expected in the following year. Unused balances, if any, may reduce the contribution required in succeeding years.

General Fund-supported departments with 2% or more of historical Judgment/Claims Subfund costs make payments to the Subfund for their projected shares of total costs. Finance General covers premiums for departments with less than 2% of historical Judgment/Claims Subfund costs. Utilities pay their actual expenses as incurred. The 2004 Proposed Budget includes transfer of \$2 million in fund balance from the Judgment/Claims Subfund to the General Subfund, based on analysis of actuarial reports and expense projections.

Summit Code	Source	2002 Adopted	2003 Adopted	2004 Endorsed	2004 Proposed
Revenues					
709999	Reimbursable Judgments and Claims	\$ 3,250,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000
587001	General Subfund-Operating Transfer In	11,000,000	-	-	-
587001	Finance General	-	801,020	801,020	801,020
544730	General Fund Departmental Transfers	-	10,198,980	10,198,980	10,198,980
	Total Revenues	\$ 14,250,000	\$ 13,750,000	\$ 13,750,000	\$ 13,750,000
	Use of (Contribution to) Fund Balance	-	500,000	-	2,000,000
	Total Resources	\$ 14,250,000	\$ 14,250,000	\$ 13,750,000	\$ 15,750,000
Expenditures					
744730	Litigation Expense	\$ 1,100,000	\$ 3,030,000	\$ 3,030,000	\$ 3,030,000
	Claims	750,000	2,025,000	2,025,000	2,025,000
	Judgments/Settlements	12,400,000	8,695,000	8,695,000	8,695,000
887001	Operating Transfer Out – General Subfund (00100)	-	500,000	-	2,000,000
	Total Expenditures	\$ 14,250,000	\$ 14,250,000	\$ 13,750,000	\$ 15,750,000

General Fund Subfunds

Police Support Facility Subfund

The Police Support Facility Subfund shows revenues and expenditures associated with the Police Support Facility at Park 90/5. The existing complex of buildings on Airport Way South was acquired in August 1996 as a future location for Police Department functions including evidence storage, parking enforcement, and other support functions that are currently located in the Public Safety Building. The facility also includes the Seattle Public Utilities' Water Quality Lab, which was completed in 1999. It also houses the FFD Maintenance & Operations Center, moved from the Public Safety Building in 2003. Private tenants continue to occupy a portion of the facility. Police Department occupancy is expected to be completed by late 2004. The subfund balance will be held to cover future expenses. As a result of lower interest rates, \$574,000 is saved in 2003 and \$527,000 is saved in 2004. These savings are transferred to the General Fund to reimburse past expenses.

Summit Code	Source	2002 Actual	2003 Revised	2004 Endorsed	2004 Proposed
Beginning Fund Balance		\$ 2,260,675	\$ 927,927	\$ 1,273,708	\$ 1,273,708
<u>Revenues</u>					
462500	Bldg/Other Space Rental Charge	\$ 719,384	\$ 1,168,409	\$ 1,170,334	\$ 1,170,334
562500	IF Building/Other Space Rental	289,685	892,393	811,878	811,878
Total Revenues		\$ 1,009,069	\$ 2,060,802	\$ 1,982,212	\$ 1,982,212
<u>Expenditures</u>					
741190	Services-Other Professional/Tec	\$ 1,280,064	\$ 350,000	\$ 350,000	\$ 350,000
841190	IF Services-Other Professional	43,550	566,000	585,000	585,000
887200	Oper Tr Out-To Debt Service Fu (to 20110)	945,621	799,021	1,521,000	993,952
887001	Oper Tr Out-To General Fund (to 00100)	72,582	-	-	1,101,028
Total Expenditures		\$ 2,341,817	\$ 1,715,021	\$ 2,456,000	\$ 3,029,980
Ending Fund Balance		\$ 927,927	\$ 1,273,708	\$ 799,920	\$ 225,940

General Fund Subfunds

Special Employment Subfund

The Special Employment Subfund captures the revenues and expenditures associated with the Special Employment Program, which includes temporary employment, work study, and internship programs.

Summit Code	Source	2002 Actual	2003 Adopted	2003 Projected	2004 Endorsed	2004 Proposed
Beginning Fund Balance		\$ 2,078,257	\$ 1,277,119	\$ 2,062,476	\$ 487,953	\$ 452,102
Revenue						
541960	Department Contributions (1)	\$ 16,156,619	\$ 13,920,000	\$ 13,334,213	\$ 14,380,200	\$ 14,500,000
441960	Total from Outside Agencies (2)	768,773	90,000	90,000	90,000	90,000
Total Revenue		\$ 16,925,392	\$ 14,010,000	\$ 13,424,213	\$ 14,470,200	\$ 14,590,000
Expenditure						
710310	Special Employment Payroll	\$ 13,941,561	\$ 12,000,000	\$ 12,526,630	\$ 12,070,000	\$ 12,500,000
720500	Benefits/Workers Comp Claims	1,061,640	1,088,000	1,049,542	1,093,180	1,053,180
744710	Insurance - General	230	3,000	250	3,000	250
820500	Unemployment/Retirement	1,160,181	1,320,918	1,070,918	1,369,455	1,369,455
841111	Administration	777,562	387,248	387,248	412,145	354,891
Total Expenditures		\$ 16,941,173	\$ 14,799,166	\$ 15,034,588	\$ 14,947,780	\$ 15,277,776
Ending Fund Balance (3)		\$ 2,062,476	\$ 487,953	\$ 452,102	\$ 10,373	\$ (235,674)

Notes:

- (1) The Special Employment Program (SEP) service fee was reduced from 3.7% to 1.85% in 2002 to utilize fund balance that had accumulated from previous years. The service fee was recalculated in 2003 and 2004 to 8.6%.
- (2) Outside agency use of SEP in 2003 and 2004 fell considerably due to budget reductions.
- (3) In 2002, a "payroll float" of \$600,000 was established in order to provide cash flow for payroll purposes. The fund balance is net of this \$600,000 in 2003 and 2004.

General Fund Subfunds

Unemployment Compensation Subfund

The City is a reimbursable employer (self-insured) with respect to the payment of unemployment compensation, which means the City is responsible for the payment of actual unemployment claims. The Unemployment Compensation Subfund contains the revenues and expenditures associated with the City's unemployment insurance costs for employees. This program is centrally administered by the Personnel Department. Since 1997, benefit eligibility and claims management and administration have been contracted out to a third party administrator.

Summit Code	Source	2002 Actual	2003 Adopted	2003 Projected	2004 Endorsed	2004 Proposed
Beginning Fund Balance		\$ 853,449	\$ (435,692)	\$ (197,271)	\$ (235,692)	\$ 293,069
Revenue						
569570	Department Contributions	\$ 1,446,901	\$ 3,729,141	\$ 3,753,176	\$ 3,898,157	\$ 3,898,157
Total Revenue		\$ 1,446,901	\$ 3,729,141	\$ 3,753,176	\$ 3,898,157	\$ 3,898,157
Expenditure						
720120	Claims Payments (1)	\$ 2,478,302	\$ 3,480,322	\$ 3,438,788	\$ 3,649,338	\$ 3,649,338
741190	Services - Other Prof.	19,319	19,319	21,319	19,319	23,319
841111	Administration	-	29,500	-	29,500	-
Total Expenditures		\$ 2,497,621	\$ 3,529,141	\$ 3,460,107	\$ 3,698,157	\$ 3,672,657
Ending Fund Balance		\$ (197,271)	\$ (235,692)	\$ 293,069	\$ (35,692)	\$ 518,569

Notes:

- (1) Unemployment claims increased substantially in 2003 and 2004 due to layoffs occurring throughout the City at the end of 2002 and the downturn in the region's economy. As provided by state law, the City pays a portion of these unemployment claims.